

EQUIPMENT LEASE

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RE:

INTERSTATE COMMERCE COMMISSION

STAUFFER CHEMICAL COMPANY NO. 2

THIS LEASE OF RAILROAD EQUIPMENT dated as of September 10, 1971 between UNITED STATES RENSING INTERNATIONAL, INC., a California corporation (the "Lessor"), and STAUFFER CHEMICAL COMPANY a Delaware corporation (the "Lessee");

W I T N E S S E T H:

SECTION 1. MANUFACTURE AND DELIVERY OF EQUIPMENT.

1.1. Intent to Lease and Hire. The Lessor is acquiring certain equipment (collectively the "Equipment" and individually "Item of Equipment") described respectively in Schedules A-1 through A-5 attached hereto and made a part hereof and, upon delivery of each Item of Equipment by the Manufacturer or Manufacturers thereof (collectively as "Manufacturers" and individually "Manufacturer"), the Lessor shall lease and let such Item of Equipment to the Lessee and the Lessee shall hire such Item of Equipment from the Lessor for the rental and on and subject to the terms and conditions herein set forth.

1.2. Inspection and Acceptance. Upon delivery of each Item of Equipment by the Manufacturer thereof the Lessee will inspect such Item of Equipment and if such Item of Equipment tendered for delivery appears to meet the specifications, the Lessee will accept delivery thereof and execute and deliver to such Manufacturer and Lessor duplicate Certificates of Acceptance, substantially in the form of Exhibit 1 attached hereto and made a part hereof.

1.3. Certificate of Acceptance. The Lessee's execution and delivery to the Lessor of the Certificates of Acceptance with respect to each Item of Equipment shall conclusively establish that each Item of Equipment is acceptable to and accepted by the Lessee under this Lease, notwithstanding any defect with respect to design, manufacture, condition or in any other respect, and that each Item of Equipment is in good order and condition and appears to conform to the specifications applicable thereto and to all applicable United States Department of Transportation requirements and specifications, if any. The Lessee represents that it has no knowledge of any such defect.

SECTION 2. RENTS AND PAYMENT DATES.

2.1. Rent for Equipment. The Lessee agrees to pay the Lessor the following rent for each Item of Equipment leased hereunder:

(a) Periodic Rent. For each Item of Equipment sixty (60) quarterly instalments of Periodic Rent each payable in advance in the amount provided for each respective Item of Equipment in Schedules A-1 to A-5 hereto;

(b) Daily Interim Rent. For each Item of Equipment the amount per day provided for each respective Item of Equipment in Schedules A-1 to A-5 hereto for the period, if any, from the date of payment of the invoice for such Item of Equipment to and including the respective due date of the first instalment of Periodic Rent for such Item of Equipment as set forth in section 2.2 hereof.

2.2. Rent Payment Dates. The first installment of Periodic Rent and the total amount of Daily Interim Rent for all Items of Equipment shall be due and payable on the earlier of (i) the tenth business day after delivery of all such Items of Equipment to the Lessee hereunder has been completed as evidenced by the Certificates of Acceptance, or (ii) June 1, 1972. The second through the sixtieth installments of Periodic Rent for all Items of Equipment shall be due and payable quarterly commencing three calendar months after such first rental payment date.

2.3. Place of Rent Payment. All payments provided for in this Lease to be made to the Lessor shall be made to the Lessor at 633 Battery Street, San Francisco, California 94111, or at such other place as the Lessor, or its assigns pursuant to Section 16 hereof shall specify in writing.

2.4. Net Lease. This Lease is a net lease and the Lessee shall not be entitled to any abatement of rent or reduction thereof, including, but not limited to, abatements or reductions due to any present or future claims of the Lessee against the Lessor under this Lease or otherwise or against the Manufacturers of the Equipment, nor except as otherwise expressly provided herein, shall this Lease terminate, or the respective obligations of the Lessor or the Lessee be otherwise affected, by reason of any defect in or failure of title of the Lessor to the Equipment or any defect in or damage to or loss or destruction of all or any of the Equipment from whatsoever cause, the taking or requisitioning of the Equipment by condemnation or otherwise, the lawful prohibition of the Lessee's use of the Equipment, the interference with such use by any private person or corporation, the invalidity or unenforceability or lack of due authorization or other infirmity of this Lease, or lack of right, power or authority of the Lessor to enter into this Lease, or for any other cause whether similar or dissimilar to the foregoing, any present or future law to the contrary notwithstanding, it being the intention of the parties hereto that the rents and other amounts payable by the Lessee hereunder shall continue to be payable in all events unless the obligation to pay the same shall be terminated pursuant to Section 11 hereof, or until the Equipment is surrendered and placed in storage pursuant to Section 13 hereof.

SECTION 3. TERM OF THE LEASE.

The term of this Lease as to each Item of Equipment shall begin on the date of delivery to and acceptance by the Lessee of such Item of Equipment and, subject to the provisions of Section 11 hereof, shall terminate 15 years after the initial Rent Payment Date for such Item of Equipment provided for in Section 2.2 hereof.

SECTION 4. OWNERSHIP AND MARKING OF THE EQUIPMENT.

4.1. Retention of Title. The Lessor, as between the Lessor and the Lessee, shall and hereby does retain full legal title to the Equipment notwithstanding the delivery thereof to and the possession and use thereof by the Lessee.

4.2. Duty to Number and Mark Equipment. The Lessee will cause each Item of Equipment to be kept numbered with the car number as set forth respectively in Schedules A-1 through A-5 and to be kept plainly, distinctly, permanently and conspicuously marked by a plate or stencil printed in contrasting color upon each side of each Item of Equipment in letters not less than one-half inch in height as follows:

"Owned and Leased by United States Leasing
International, Inc., and subject to a Security
Interest Recorded with the I. C. C."

with appropriate changes thereof and additions thereto as from time to time may be required by law in order to protect the title of the Lessor to such Item of Equipment, its rights under this Lease and the rights of any assignee under Section 16 hereof. The Lessee will not place any such Item of Equipment in operation or exercise any control or dominion over the same until the required legend shall have been so marked on both sides thereof and will replace promptly any such names and word or words which may be removed, defaced or destroyed. The Lessee will not change the car number of any Item of Equipment except with the consent of the Lessor and in accordance with a statement of new car numbers to be substituted therefor, which consent and statement previously shall have been filed with the Lessor by the Lessee and filed, recorded or deposited in all public offices where this Lease shall have been filed, recorded or deposited.

4.3. Prohibition Against Certain Designations. Except as above provided, the Lessee will not allow the name of any person, association or corporation to be placed on the Equipment as a designation that might be interpreted as a claim of ownership; provided, however, that the Lessee may cause the Equipment to be lettered with the names or initials or other insignia customarily used by the Lessee or its affiliates on railroad equipment used by it of the

same or a similar type for convenience of identification or of the right of the Lessee to use the Equipment under this Lease.

4.4. Indemnification for Improper Marking. The Lessee shall indemnify the Lessor and any assignee under Section 16 hereof against any liability, loss or expense incurred by any of them as a result of the aforesaid marking of the Equipment with such name, initials or insignia.

SECTION 5. DISCLAIMER OF WARRANTIES.

AS BETWEEN LESSOR AND LESSEE, LESSOR LEASES THE EQUIPMENT, AS-IS WITHOUT WARRANTY OR REPRESENTATION EITHER EXPRESS OR IMPLIED, AS TO (A) THE FITNESS OR MERCHANTABILITY OF ANY ITEM OR ITEMS OF EQUIPMENT, (B) THE LESSOR'S TITLE THERETO, (C) THE LESSEE'S RIGHT TO THE QUIET ENJOYMENT THEREOF, OR (D) ANY OTHER MATTER WHATSOEVER, IT BEING AGREED THAT ALL SUCH RISKS, AS BETWEEN THE LESSOR AND THE LESSEE, ARE TO BE BORNE BY THE LESSEE. The Lessor hereby appoints and constitutes the Lessee as its agent and attorney-in-fact during the term of this Lease to assert and enforce, from time to time, in the name and for the account of the Lessor and the Lessee, as their interests may appear, but in all cases at the sole cost and expense of the Lessee, whatever claims and rights the Lessor may have as owner of the Equipment against any manufacturers or contractors in respect thereof.

SECTION 6. LESSEE'S INDEMNITY.

6.1. Scope of Indemnity. The Lessee shall defend, indemnify and save harmless the Lessor and its successors and assigns from and against:

(a) any and all loss or damage of or to the Equipment, usual wear and tear excepted, and

(b) any claim, cause of action, damages, liability, cost or expense (including counsel fees and costs in connection therewith) which may be incurred in any manner by or for the account of any of them (i) relating to the Equipment or any part thereof, including without limitation the construction, purchase, delivery, installation, ownership, leasing or return of the Equipment or as a result of the use, maintenance, repair, replacement, operation or the condition thereof (whether defects are latent or discoverable by the Lessor or by the Lessee), (ii) by reason or as the result of any act or omission of the Lessee for itself or as agent or attorney-in-fact for the Lessor hereunder, (iii) as a result of claims for patent infringements, or (iv) as a result of claims for strict liability in tort.

6.2. Continuation of Indemnities and Assumptions. The indemnities and assumptions of liability in this Section 6 contained shall continue in full force and effect notwithstanding the termination of this Lease, or the termination of the term hereof in respect of any one or more Items of Equipment, whether by expiration of time, by operation of law or otherwise. The Lessee shall be entitled to control, and shall assume full responsibility for, the defense of such claim or liability.

SECTION 7. RULES, LAWS AND REGULATIONS.

The Lessee agrees to comply with all governmental laws, regulations, requirements and rules (including the rules of the United States Department of Transportation and the current Interchange Rules and supplements thereto of the Mechanical Division, Association of American Railroads) with respect to the use, maintenance and operation of each Item of Equipment subject to this Lease. In case any equipment or appliance on any such Item of Equipment shall be required to be changed or replaced, or in case any additional or other equipment or appliance is required to be installed on such Item of Equipment in order to comply with such laws, regulations, requirements and rules, the Lessee agrees to make such changes, additions and replacements.

SECTION 8. USE AND MAINTENANCE OF EQUIPMENT.

The Lessee shall use the Equipment only in the manner for which it was designed and intended and so as to subject it only to ordinary wear and tear. The Lessee shall, at its own cost and expense, maintain and keep the Equipment in good order, condition and repair, ordinary wear and tear excepted, suitable for use in interchange. The Lessee shall not modify any Item of Equipment without the written authority and approval of the Lessor which shall not be unreasonably withheld. Any parts installed or replacements made by the Lessee upon any Item of Equipment, including any additional equipment or appliance installed pursuant to Section 7 hereof, shall be considered accessions to such Item of Equipment and title thereto shall be immediately vested in the Lessor, without cost or expense to the Lessor.

SECTION 9. LIENS ON THE EQUIPMENT.

The Lessee shall pay or satisfy and discharge any and all claims against, through, or under the Lessee and its successors or assigns which, if unpaid, might constitute or become a lien or a charge upon the Equipment, and any liens or charges which may be levied against or imposed upon any Item of Equipment as a result of the failure of the Lessee to perform or observe any of its covenants or agreements under this Lease, but the Lessee shall not be required to pay or discharge any such claims so long as it shall,

in good faith and by appropriate legal proceedings contest the validity thereof in any reasonable manner which will not affect or endanger the title and interest of the Lessor to the Equipment. The Lessee's obligations under this Section 9 shall survive termination of the Lease.

SECTION 10. FILING, PAYMENT OF FEES AND TAXES.

10.1. Filing. The Lessor will, at Lessee's sole expense, cause this Lease and any Security Agreement executed by the Lessor with respect to the Equipment or the Lease to be duly filed, registered or recorded in conformity with Section 20c of the Interstate Commerce Act and in such other places within or without the United States as the Lessor may reasonably determine for the protection of its title or the security interest of the Secured Party and will furnish the Lessee proof thereof. The Lessee will, from time to time, do and perform any other act and will execute, acknowledge, deliver, file, register and record (and will re-file, re-register or re-record whenever required) any and all further instruments required by law or reasonably requested by the Lessor, for the purpose of protecting the Lessor's title to, or such Secured Party's security interest in, the Equipment to the satisfaction of the Lessor's or such Secured Party's counsel or for the purpose of carrying out the intention of this Lease, and in connection with any such action, will deliver to the Lessor proof of such filings and an opinion of the Lessee's counsel that such action has been properly taken. The Lessee will pay all costs, charges and expenses incident to any such filing, re-filing, registering, re-registering, recording and re-recording of any such instruments or incident to the taking of such action.

10.2. Payment of Taxes. The Lessee, or the Lessor at the Lessee's expense, shall report, pay and discharge when due all license and registration fees, assessments, sales, use and property taxes, gross receipts taxes arising out of receipts from use or operation of Equipment, and other taxes, fees and governmental charges similar or dissimilar to the foregoing (excluding any net income tax, provided that the Lessee agrees to pay that portion of any such net income tax which is in direct substitution for, or which relieves the Lessee from a tax which the Lessee would otherwise be obligated to pay under the terms of this Section), together with any penalties or interest thereon, imposed by any state, federal or local government upon any Item of Equipment and whether or not the same shall be assessed against or in the name of the Lessor or the Lessee; provided, however, that the Lessee shall not be required to pay or discharge any such tax or assessment (i) so long as it shall, in good faith and by appropriate legal proceedings, contest the validity thereof in any reasonable manner which will not affect or endanger the title and interest of the

Lessor to the Equipment; however, the Lessee shall reimburse the Lessor for any damages or expenses resulting from such failure to pay or discharge, or (ii) as to assessments against or in the name of anyone other than the Lessee until 20 days after written notice thereof shall have been given to the Lessee.

SECTION 11. PAYMENT FOR CASUALTY OCCURRENCE.

11.1. Notification by Lessee of Casualty Occurrence.

In the event that any Item of Equipment shall be or become lost, stolen, destroyed, or, in the opinion of the Lessee, irreparably damaged or shall be requisitioned or taken over by any governmental authority under the power of eminent domain or otherwise during the term of this Lease (any such occurrence, except for any requisition which by its terms does not exceed the remaining term of this Lease, being hereinafter called a Casualty Occurrence), the Lessee shall promptly and fully (after it has knowledge of such Casualty Occurrence) inform the Lessor in regard thereto.

11.2. Payment for Casualty Occurrence. When the aggregate Casualty Value (as defined) of Items of Equipment having suffered a Casualty Occurrence (exclusive of Items of Equipment described in such Schedule having suffered a Casualty Occurrence with respect to which payment shall have been made to the Lessor pursuant to this Section 11) shall exceed \$80,000, the Lessee, on the next succeeding Rent Payment Date, shall pay to the Lessor a sum equal to the Casualty Value of such Item or Items of Equipment as of the date of such payment; provided, that notwithstanding the foregoing the Lessee shall on the last Rent Payment Date of each calendar year pay to the Lessor a sum equal to the Casualty Value of any Item or Items of Equipment which have suffered a Casualty Occurrence during such calendar year or any prior year for which no payment has previously been made to the Lessor pursuant to this Section 11.2.

11.3. Optional Retirement of Equipment. Lessee may upon not less than 30 days prior written notice to Lessor terminate this Lease as of the fortieth Periodic Rent Date or as of any succeeding Periodic Rent Date up to but not after the fifty-ninth Periodic Rent Date as to any item which, in the good faith judgment of Lessee as certified by its President, any Vice President or the Treasurer, shall have become obsolete or economically unserviceable so as to be no longer useful in the conduct of Lessee's business upon payment to Lessor of an amount equal to the Termination Value of such item as of the date of such payment. Such written notice shall identify the item for which this lease is to be terminated and shall designate the date on which termination is intended to become effective as a result of such payment. Such notice shall be accompanied by a written statement of the President, any Vice President or the Treasurer of Lessee to Lessor setting forth a

summary of the basis for such determination. For the purposes of this Section 11.3 all interest rates payable by Lessee for its indebtedness for borrowed money or finance charges by Lessee in connection with the acquisition of its equipment under Conditional Sale Contracts, Leases or other arrangements for deferred payment shall be disregarded in the determination of economic unserviceability.

11.4. Rent Termination. Upon (and not until) payment of the Casualty Value or, as the case may be, the Termination Value in respect of any Item or Items of Equipment, the obligation to pay rent for such Item or Items of Equipment (including the Periodic Rent installment due on the Casualty Value or Termination Value payment date) shall terminate, but the Lessee shall continue to pay rent for all other Items of Equipment. The Lessee shall pay when due all rent payments as to an Item or Items due prior to the date on which the Casualty Value or, as the case may be, the Termination Value thereof is payable.

11.5. Disposition of Equipment. The Lessee shall, as agent for the Lessor, dispose of such Item or Items of Equipment for which settlement has been made pursuant to Section 11.2 or 11.3 as promptly as possible for the best price obtainable. Any such disposition shall be on an "as-is", "where-is" basis without representation or warranty express or implied. As to each separate Item of Equipment so disposed of the Lessee may retain all proceeds of the disposition (including in the case of Casualty Occurrence any insurance proceeds and damages received by the Lessee). In disposing of such Item or Items of Equipment, the Lessee shall take such action as the Lessor shall reasonably request to terminate any contingent liability which the Lessor might have arising after such disposition from or connected with such Item or Items of Equipment. Neither the Lessee nor any person, firm or corporation controlled by, in the control of, or under common control with the Lessee shall be permitted to purchase any Item of Equipment with respect to which the Lease has been terminated pursuant to Section 11.3.

11.6. Casualty Prior to Commencement of Periodic Rent. In the event the Lessee shall have notified the Lessor that an Item or Items of Equipment have suffered a Casualty Occurrence 15 days or more prior to the commencement of Periodic Rent hereunder with respect thereto, the Casualty Value for such Item or Items shall be an amount equal to 102% of its cost. If the Lessee shall have notified the Lessor that an Item or Items of Equipment have suffered a Casualty Occurrence less than 15 days prior to the commencement of Periodic Rent hereunder with respect thereto, the date of such Casualty Occurrence for such Item or Items shall be deemed to be one day after the due date of the first installment of Periodic Rent.

11.7. Casualty Value. The Casualty Value of each Item of Equipment shall be an amount determined as of the date the Casualty Value is paid as provided in Section 11.2 hereof (and not the date of the Casualty Occurrence) equal to that percentage of the original cost to the Lessor of such Item of Equipment as set forth in the Schedule of Casualty Value attached hereto as Schedule B.

11.8. Termination Value. The Termination Value of each Item of Equipment shall be an amount determined as of the date the Termination Value is paid as provided in Section 11.3 hereof equal to that percentage of the original cost to the Lessor of such Item of Equipment as set forth in the Schedule of Termination Value attached hereto as Schedule C.

11.9. Risk of Loss. The Lessee shall bear the risk of and, except as hereinabove in this Section 11 provided, shall not be released from its obligations hereunder in the event of any Casualty Occurrence to any Item of Equipment after the date hereof.

11.10. Eminent Domain. In the event that during the term of this Lease the use of any Item of Equipment is requisitioned or taken by any governmental authority under the power of eminent domain or otherwise for a period which does not exceed the remaining term of this Lease, the Lessee's duty to pay rent shall continue for the duration of such requisitioning or taking. The Lessee shall be entitled to receive and retain for its own account all sums payable for any such period by such governmental authority as compensation for requisition or taking of possession. A requisition or taking for an indefinite period of time shall not be deemed to exceed the remaining term of this Lease unless and until the period of such requisition or taking does in fact exceed such remaining term.

SECTION 12. ANNUAL REPORTS.

12.1. Duty of Lessee to Furnish. On or before April 1 in each year, commencing with the year 1972, the Lessee will furnish to the Lessor or its assigns an accurate statement, as of the preceding fiscal year (a) showing the amount, description and numbers of the Items of Equipment then leased hereunder, the amount, description and number of all Items of Equipment that may have suffered a Casualty Occurrence during the preceding 12 months (or since the date of this Lease, in the case of the first such statement), and such other information regarding the condition or repair of the Equipment as Lessor may reasonably request, and (b) stating that, in the case of all Equipment repainted during the period covered by such statement, the markings required by Section 4.2 hereof shall have been preserved or replaced.

12.2. Lessor's Inspection Rights. The Lessor or its assigns shall have the right, at its sole cost and expense, by its authorized representative, to inspect the Equipment and the Lessee's records with respect thereto, at such times as shall be reasonably necessary to confirm to the Lessor or its assigns the existence and proper maintenance thereof during the continuance of this Lease.

SECTION 13. RETURN OF EQUIPMENT UPON EXPIRATION OF TERM.

Upon the expiration of the term of this Lease with respect to any Item of Equipment and in the event the purchase option provided in Section 23.1 is not exercised, the Lessee will, at its own cost and expense, at the request of the Lessor, deliver possession of such Item of Equipment to the Lessor upon such storage tracks as the Lessor may designate, or in the absence of such designation, as the Lessee may select. All movement of each such Item is to be at the risk and expense of the Lessee. The delivery and transportation of the Equipment as hereinbefore provided are of the essence of this Lease, and upon application to any court of equity having jurisdiction in the premises the Lessor shall be entitled to a decree against the Lessee requiring specific performance of the covenants of the Lessee to so deliver and transport the Equipment.

SECTION 14. DEFAULT.

14.1. Events of Default. If, during the continuance of this Lease, one or more of the following events ("Events of Default") shall occur:

(a) Default shall be made in the payment of any part of the rental provided in Section 2 hereof and such default shall continue for ten days;

(b) The Lessee shall make or permit any unauthorized assignment or transfer of this Lease, or of possession of the Equipment, or any portion thereof, and shall fail or refuse to cause such assignment or transfer to be cancelled by agreement of all parties having any interest therein and to recover possession of such Equipment within 30 days after written notice from the Lessor to the Lessee demanding such cancellation and recovery of possession;

(c) Default shall be made in the observance of performance of any other of the covenants, conditions and agreements on the part of the Lessee contained herein and such default shall continue for 30 days after written notice from the Lessor to the Lessee, specifying the default and demanding the same to be remedied;

(d) Any representation or warranty made by the Lessee herein or in any statement or certificate furnished to the Lessor or any assignee referred to in Section 16 hereof proves untrue in any material respect as of the date of issuance or making thereof and shall not be made good within 30 days after notice thereof to the Lessee by the Lessor;

(e) The Lessee shall become insolvent or bankrupt or admit in writing its inability to pay its debts as they mature or shall make an assignment for the benefit of its creditors; or

(f) Bankruptcy, reorganization, arrangement or insolvency proceedings or other proceedings for relief under any bankruptcy or similar law or laws for the relief of debtors shall be instituted by or against Lessee; or Lessee shall permit or there shall occur any involuntary transfer of its interest hereunder or of all or substantially all of Lessee's property by bankruptcy or by the appointment of a receiver or trustee or by execution or by any judicial or administrative decree or process or otherwise; unless in every such case such proceedings (if instituted against the Lessee) shall be dismissed or such assignment, transfer, decree or process shall within 60 days from the filing or other effective date therein be nullified, stayed or otherwise rendered ineffective, or unless any such receiver or trustee shall within 60 days from the date of his appointment adopt and assume this Lease pursuant to due authority of law and of the court appointing him;

then in any such case the Lessor, at its option, may:

(1) Proceed by appropriate court action or actions, either at law or in equity, to enforce performance by the Lessee of the applicable covenants of this Lease or to recover damages for the breach thereof; or

(2) By notice in writing to the Lessee, terminate this Lease, whereupon all right of the Lessee to the use of the Equipment shall absolutely cease and terminate as though this Lease had never been made, but the Lessee shall remain liable as hereinafter provided; and thereupon the Lessor may by its agents enter upon the premises of the Lessee or other premises where any of the Equipment may be located and take possession of all or any such Equipment and thenceforth hold, possess and enjoy the same free from any right of the Lessee, or its successors

or assigns, to use the Equipment for any purpose whatever, but the Lessor shall nevertheless, have a right to recover from the Lessee any and all amounts which under the terms of this Lease may be then due or which may have accrued to the date of such termination (computing the rental for any number of days less than a full rental period by a fraction of which the numerator is such accrued number of days and the denominator is the total number of days in such full rental period) and also to recover forthwith from the Lessee (i) as damages for loss of the bargain and not as a penalty, an amount, with respect to each Item of Equipment, which represents the excess of the present worth, at the time of such termination, of all rentals for such Item which would otherwise have accrued hereunder from the date of such termination to the end of the term of this Lease over the then present worth of the then fair rental value of such Item for such period computed by discounting from the end of such term to the date of such termination rentals which the Lessor reasonably estimates to be obtainable for the use of the Item during such period, such present worth to be computed in each case on a basis of 6% per annum discount, compounded semi-annually from the respective dates upon which rentals would have been payable hereunder had this Lease not been terminated, and (ii) any damages and expenses including reasonable attorneys' fees, in addition thereto which the Lessor shall have sustained by reason of the breach of any covenant or covenants of this Lease, other than for the payment of rent.

14.2. Cumulative Remedies. The remedies in this Lease provided in favor of the Lessor shall not be deemed exclusive, but shall be cumulative and shall be in addition to all other remedies in its favor existing at law or in equity. The Lessee hereby waives any mandatory requirements of law, now or hereafter in effect, which might limit or modify any of the remedies herein provided, to the extent that such waiver is permitted by law. The Lessee hereby waives any and all existing or future claims of any right to assert any off-set against the rent payments due hereunder, and agrees to make the rent payments regardless of any off-set or claim which may be asserted by the Lessee on its behalf in connection with the lease of the Equipment.

14.3. Lessor's Failure to Exercise Rights. The failure of the Lessor to exercise the rights granted it hereunder upon any occurrence of any of the contingencies set forth herein shall not constitute a waiver of any such right upon the continuation or recurrence of any such contingencies or similar contingencies.

SECTION 15. RETURN OF EQUIPMENT UPON DEFAULT.

15.1. Lessee's Duty to Return. If the Lessor shall terminate this Lease pursuant to Section 14 hereof, the Lessee shall forthwith deliver possession of the Equipment to the Lessor. For the purpose of delivering possession of any Item of Equipment to the Lessor as above required, the Lessee shall at its own cost, expense and risk (except as hereinafter stated):

(a) Forthwith assemble and place such Equipment upon such storage tracks as the Lessor may designate or, in the absence of such designation as the Lessee may select;

(b) Provide storage at the risk of the Lessee for such Equipment on such tracks for a period not exceeding 180 days after written notice to the Lessor specifying the place of storage and the road numbers of the Items so stored; and

(c) Transport any Items of Equipment, at any time within such 180 days' period, to any place on the lines of a railroad within a 25 mile radius of such storage tracks, all as the Lessor may reasonably direct upon not less than 30 days' written notice to the Lessee.

15.2. Intention of Parties. The assembling, delivery, storage and transporting of the Equipment as hereinbefore provided are of the essence of this Lease, and upon application to any court of equity having jurisdiction in the premises, the Lessor shall be entitled to a decree against the Lessee requiring specific performance of the covenants of the Lessee so as to assemble, deliver, store and transport the Equipment.

15.3. Lessor Appointed Lessee's Agent. Without in any way limiting the obligations of the Lessee under the foregoing pro-

visions of this Section 15, the Lessee hereby irrevocably appoints the Lessor as the agent and attorney of Lessee, with full power and authority, at any time while the Lessee is obligated to deliver possession of any Items of Equipment to Lessor, to demand and take possession of such Item in the name and on behalf of Lessee from whomsoever shall be at the time in possession of such Item.

SECTION 16. ASSIGNMENTS BY LESSOR.

This Lease shall be assignable in whole or in part by Lessor without the consent of Lessee, but Lessee shall be under no obligation to any assignee of the Lessor except upon written notice of such assignment from the Lessor. In the event that separate assignments are executed by the Lessor in respect of this Lease and the rental and other sums due and to become due hereunder, insofar as the same relate to Items of Equipment described in separate Schedules hereto the Lessor and the Lessee agree that so long as such separate assignments remain in force and effect this Lease shall be deemed to be and shall be construed as a divisible and severable contract between the Lessor and the Lessee for the leasing of Equipment covered by each such separate assignment, all to the same extent and with the same force and effect as though a separate lease had been entered into by the Lessor and the Lessee in respect of such Equipment. Upon notice to the Lessee of any such assignment the rent and other sums payable by the Lessee which are the subject matter of the assignment shall be paid to the assignee. Without limiting the foregoing, the Lessee further acknowledges and agrees that (i) the rights of any such assignee in and to the sums payable by the Lessee under any provisions of this Lease shall not be subject to any abatement whatsoever, and shall not be subject to any defense, set-off, counter-claim or recoupment whatsoever whether by reason of or defect in Lessor's title, or any interruption from whatsoever cause (other than from a wrongful act of the assignee) in the use, operation or possession of the Equipment or any part thereof, or any damage to or loss or destruction of the Equipment or any part thereof, or by reason of any other indebtedness or liability, howsoever and whenever arising, of the Lessor to the Lessee or to any other person, firm or corporation or to any governmental authority or for any cause whatsoever, it being the intent hereof that, except in the event of a wrongful act on the part of the assignee, the Lessee shall be unconditionally and absolutely obligated to pay the assignee all of the rents and other sums which are the subject matter of the assignment, and (ii) the assignee shall have the sole right to exercise all rights, privileges and remedies (either in its own name or in the name of the Lessor for the use and benefit of the assignee) which by the terms of this Lease are permitted or provided to be exercised by the Lessor.

SECTION 17. ASSIGNMENTS BY LESSEE: USE AND POSSESSION.

17.1. Lessee's Rights to the Equipment. So long as the Lessee shall not be in default under this Lease, the Lessee shall be entitled to the possession and use of the Equipment in accordance with the terms of this Lease, but, without the prior written consent of the Lessor, which shall not be unreasonably withheld, the Lessee shall not assign, transfer or encumber its leasehold interest under this Lease in any of the Equipment. The Lessee shall not, without the prior written consent of the Lessor, which shall not be unreasonably withheld, part with the possession or control of, or suffer or allow to pass out of its possession or control, any of the Equipment, except to the extent permitted by the provisions of Section 17.2 hereof.

17.2. Use and Possession by Lessee, Interchange, "Mileage". So long as the Lessee shall not be in default under this Lease, the Lessee shall be entitled to and shall have the exclusive use and possession of the Equipment. The Lessee agrees that the Equipment will be used solely upon the lines of railroads in the usual interchange of traffic. The Lessee shall have the right to sublease any Item of Equipment; provided, however, that no such assignment, sublease or permitted use shall relieve the Lessee of any of the obligations, liabilities or duties hereunder which shall be and remain those of a principal and not a surety. The Lessee may receive and retain for its own account such compensation for subletting the Equipment and/or for the use of the Equipment by others as the Lessee may determine. Without limiting the foregoing, it is contemplated that the Lessee shall receive insofar as applicable law and regulations allow, all mileage allowance rentals and/or other compensation (hereinafter referred to as "Mileage") payable by carriers by reason of the use of the Equipment and if for any reason the Lessor shall receive any Mileage then (unless an event of default as defined in Section 14 shall have occurred and be continuing in which event such Mileage or portion thereof shall be retained by Lessor until such event of default shall no longer be continuing) the Lessor shall remit such Mileage to the Lessee promptly after the Lessee shall furnish to the Lessor, at the Lessee's sole expense, either (i) evidence satisfactory to the Lessor acting reasonably or (ii) a ruling of the Interstate Commerce Commission to the effect that the remittance thereof to the Lessee will not constitute a rebate within the meaning of 49 U.S.C. Section 41, as amended, or (iii) an opinion of counsel to the same effect.

17.3. Merger, Consolidation or Acquisition of Lessee. Nothing in this Section 17 shall be deemed to restrict the right of the Lessee to assign or transfer its leasehold interest under this Lease in the Equipment or possession of the Equipment to any corporation (which shall have duly assumed the obligations hereunder of Lessee) into or with which the Lessee shall have become merged or consolidated or which shall have acquired the property of the Lessee as an entirety or substantially as an entirety.

SECTION 18. OPINION OF LESSEE'S COUNSEL.

Concurrently with the delivery and acceptance of the first Item of Equipment hereunder, the Lessee will deliver to the Lessor the written opinion of counsel for the Lessee addressed to the Lessor and to each assignee under Section 16 of which the Lessee has notice, in scope and substance satisfactory to the Lessor to the effect that:

(a) The Lessee is a corporation legally incorporated and validly existing, in good standing, under the laws of the State of Delaware;

(b) The Lessee has the corporate authority to own its property and carry on its business as now being conducted and is duly qualified to do business as a foreign corporation in all states in which such qualification is necessary to carry out the terms of the Lease;

(c) This Lease and the Agreement to Acquire and Lease of even date herewith, between the Lessor and the Lessee have been duly authorized, executed and delivered by the Lessee and constitute the valid, legal and binding agreements of the Lessee enforceable in accordance with their respective terms;

(d) To the best of Lessee's counsel's knowledge, no approval, consent or withholding of objection is required from any public regulatory body with respect to the entering into or performance of the Agreement to Acquire and Lease or this Lease;

(e) To the best of Lessee's counsel's knowledge, the execution and delivery by Lessee of the Agreement to Acquire and Lease and this Lease do not violate any provision of any law, any order of any court or governmental agency, the Articles of Incorporation or By-laws of the Lessee, or any indenture, agreement, or other instrument to which Lessee is a party or by which it, or any of its property is bound, and will not be in conflict with, result in the breach of, or constitute (with due notice and/or lapse of time) a default under any such indenture, agreement, or other instrument, or result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of Lessee, except as contemplated and permitted hereby; and

SECTION 19. INTEREST ON OVERDUE RENTALS AND AMOUNTS PAID BY LESSOR.

Anything to the contrary herein contained notwithstanding, any nonpayment of rentals due hereunder, or amounts expended by the Lessor on behalf of the Lessee, shall result in the obligation on the part of the Lessee to pay also an amount equal to 9-1/2% (or the lawful rate, whichever is less) of the overdue rentals and amounts expended for the period of time during which they are overdue or expended and not repaid.

SECTION 20. NOTICES.

Any notice required or permitted to be given by either party hereof to the other shall be deemed to have been given when deposited in the United States mails, certified first class postage prepaid, addressed as follows:

If to the Lessor: United States Leasing Inter-
national, Inc.
633 Battery Street
San Francisco, California 94111

If to the Lessee: Stauffer Chemical Company
299 Park Avenue
New York, New York 10017

Attn: Vice President-
Transportation

or addressed to either party at such other address as such party shall hereafter furnish to the other party in writing.

SECTION 21. EXECUTION IN COUNTERPARTS.

This Lease, and any lease supplemental hereto, may be executed in several counterparts, each of which so executed shall be deemed to be an original and in each case such counterparts shall constitute but one and the same instrument.

SECTION 22. LAW GOVERNING.

This Lease shall be construed in accordance with the laws of California; provided, however, that the parties shall be entitled to all rights conferred by any applicable federal statute, rule or regulation.

SECTION 23. OPTIONS TO PURCHASE:

2.31. Provided that the Lessee is not in default, Lessee shall have the right to purchase any or all of the Items of Equipment then leased hereunder at the expiration of the original term at a price equal to two percent (2%) of the original cost plus applicable taxes. The Lessee shall give the Lessor written notice ninety (90) days prior to the end of the original term of its election to exercise the purchase option provided for in this Section. Payment of the option price shall be made at the place of payment specified in Section 2 hereof in funds there current against delivery of a bill of sale transferring and assigning to the Lessee all right, title and interest of the Lessor in and to the Equipment and containing a warranty against liens or claims of persons claiming by, through or under the Lessor except liens and claims which the Lessee assumed or is obligated to discharge under the terms of the Lease. The Lessor shall not be required to make any representation or warranty as to the condition of the Equipment or any other matters.

23.2. Notwithstanding any election of the Lessee to purchase, the provisions of Section 11 hereof shall continue in full force and effect until the date of purchase and the passage of ownership of the Equipment purchased by the Lessee upon the date of purchase.

IN WITNESS WHEREOF, the parties hereto have caused this Lease to be executed by their respective officers thereunto duly authorized and their corporate seals to be hereto affixed as of the day and year first above written.

LESSOR

(CORPORATE SEAL)

Attest:

Joanne L. Miller
Assistant Secretary

UNITED STATES LEASING
INTERNATIONAL, INC.

By [Signature]
Its Vice President

LESSEE

(CORPORATE SEAL)

Attest:

C. M. Johnson
Asst. Secretary

STAUFFER CHEMICAL COMPANY

By [Signature]
Its Vice President

STATE OF CALIFORNIA)

CITY AND COUNTY OF SAN FRANCISCO)

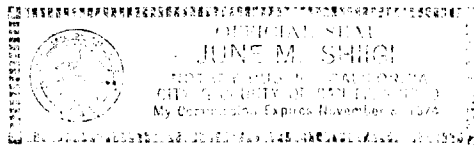
ss.

On this 18th day of October, 1971 before me personally appeared D. A. Woolsey, to me personally known, who being by me duly sworn, says that he is the Vice President of UNITED STATES LEASING INTERNATIONAL, INC., that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors; and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

June M. Shing

(SEAL)

My commission expires:



STATE OF NEW YORK
COUNTY OF NEW YORK

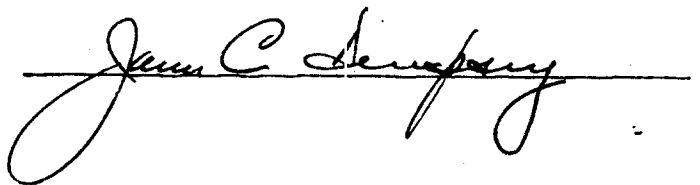
)
)
)
SS.

On this 10 day of OCTOBER, 1971 before me personally appeared G.A. COFFENBERG, to me personally known, who being by me duly sworn, says that he is the VICE PRESIDENT of STAUFFER CHEMICAL COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors; and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

(SEAL)

My commission expires:

JAMES C. DEMPSEY
NOTARY PUBLIC, State of New York
No. 41-5983225
Q. J. 111 Queens County
Cort. Filed in New York County
Commission Expires March 30, 1972



Exhibits to Lease

Exhibit 1 - Certificate of
Acceptance

Schedules to Lease

Schedules A-1 through A-5 -
Description of
Equipment

Schedule B -Casualty Values

Schedule C -Termination Value

CERTIFICATE OF ACCEPTANCE
UNDER
STAUFFER CHEMICAL COMPANY EQUIPMENT LEASE
Dated September 10, 1971

TO: UNITED STATES LEASING INTERNATIONAL, INC.

I, George A. Coffenberg, duly constituted and authorized Vice President of Stauffer Chemical Company ("Lessee") for the purpose of the Agreement to Acquire and Lease (the "Agreement") and the Equipment Lease (the "Lease"), both dated September 10, 1971 between United States Leasing International, Inc. as Lessor, and the Lessee do hereby certify on behalf of Lessee that Lessee has received, approved and accepted delivery under said Agreement, of the following pieces of Equipment:

TYPE OF EQUIPMENT:	100-ton roller bearing truck new 4,650 cubic foot capacity center flow covered hopper cars
NUMBER OF UNITS:	113
NUMBERED:	STAX 74101 to STAX 74213, inclusive

I do further certify that the foregoing Equipment is in good order and condition, and appears to conform to the specifications applicable thereto and to all applicable United States Department of Transportation requirements and specifications and that each Item has been marked in accordance with Section 4.2 of the Lease.

The execution of this certificate will in no way relieve or decrease the responsibility of the Manufacturer of the Equipment for any warranties it has made with respect to the Equipment.

DATED: September 10, 1971

George A. Coffenberg
Vice President

EXHIBIT 1 TO LEASE

SCHEDULE A-1

MANUFACTURER: ACF Industries, Inc.
Shippers' Car Line Division

DESCRIPTION OF EQUIPMENT: 30 Soda Ash covered hopper cars--
4,650 cu.ft. size with 30"
round hatches, gravity outlets,
and no interior lining, bearing
car numbers STAX 74101 to
STAX 74130, both inclusive.

PRICE: \$16,200.00 per car

TOTAL PRICE: \$486,000.00 for all 30 cars

OUTSIDE DELIVERY DATE: March 1, 1972

DELIVER TO: Stauffer Chemical Company,
as designated by the Lessee

RENT PERIOD: Fifteen (15) years commencing
with the first rental payment date

FIXED RENTAL: 60 quarterly installments, in advance,
of \$478.71 per unit or an aggregate
of \$14,361.30 for all 30 units

INTERIM DAILY RENT: \$3.825 per day per car

LESSEE: STAUFFER CHEMICAL COMPANY - LEASE NO. 2

LENDER: The Ohio National Life Insurance Company

SCHEDULE A-2

MANUFACTURER: ACF Industries, Inc.
Shippers' Car Line Division

DESCRIPTION OF EQUIPMENT: 30 Soda Ash covered hopper cars --
4,650 cu.ft. size with 30"
round hatches, gravity outlets,
and no interior lining bearing
car numbers STAX 74131 to
STAX 74160, both inclusive.

PRICE: \$16,200.00 per car

TOTAL PRICE: \$486,000.00 for all 30 units.

OUTSIDE DELIVERY DATE: March 1, 1972

DELIVER TO: Stauffer Chemical Company,
as designated by the Lessee

RENT PERIOD: Fifteen (15) years commencing with
the first rental payment date

FIXED RENTAL: 60 quarterly installments, in advance,
of \$478.71 per unit or an aggregate
of \$14,361.30 for all 30 units.

INTERIM DAILY RENT: \$3.825 per day per car

LESSEE: STAUFFER CHEMICAL COMPANY - Lease #2

LENDER: Indianapolis Life Insurance Company

SCHEDULE A-3

MANUFACTURER: ACF Industries, Inc.
Shipper's Car Line Division

DESCRIPTION OF EQUIPMENT: 26 Soda Ash covered hopper cars --
4,650 cu.ft. size with 30"
round hatches, gravity outlets,
and no interior lining bearing
car numbers STAX 74161 to
STAX 74186, both inclusive.

PRICE: \$16,200.00 per car

TOTAL PRICE: \$421,200.00 for all 26 cars

OUTSIDE DELIVERY DATE: March 1, 1972

DELIVER TO: Stauffer Chemical Company,
as designated by the Lessee

RENT PERIOD: Fifteen (15) years commencing
with the first rental payment date

FIXED RENTAL: 60 quarterly installments, in advance,
of \$478.71 per unit or an aggregate of
\$12,446.46 for all 26 units.

INTERIM DAILY RENT: \$3.825 per day per car

LESSEE: STAUFFER CHEMICAL COMPANY - Lease No. 2

LENDER: United Farm Bureau Life Insurance Company

SCHEDULE A-4

MANUFACTURER: ACF Industries, Inc.
Shipper's Car Line Division

DESCRIPTION OF EQUIPMENT: 15 Soda Ash covered hopper cars --
4,650 cu. ft. size with 30"
round hatches, gravity outlets,
and no interior lining bearing
car numbers STAX 74187 to
STAX 74201, both inclusive.

PRICE: \$16,200.00 per car

TOTAL PRICE: \$243,000.00 for all 15 units

OUTSIDE DELIVERY DATE: March 1, 1972

DELIVER TO: Stauffer Chemical Company,
as designated by the Lessee

RENT PERIOD: Fifteen (15) years commencing
with the first rental payment date

FIXED RENTAL: 60 quarterly installments, in advance,
of \$478.71 per unit or an aggregate
of \$7,180.65 for all 15 units.

INTERIM DAILY RENT: \$3.825 per day per car

LESSEE: STAUFFER CHEMICAL COMPANY - Lease No. 2

LENDER: Lafayette Life Insurance Company

SCHEDULE A-5

MANUFACTURER: ACF Industries, Inc.
Shippers' Car Line Division

DESCRIPTION OF EQUIPMENT: 12 Soda Ash covered hopper cars--
4,650 cu.ft. size with 30"
round hatches, gravity outlets,
and no interior lining, bearing
car numbers STAX 74202 to
STAX 74213, both inclusive.

PRICE: \$16,200.00 per car

TOTAL PRICE: \$194,400.00 for all 12 cars

OUTSIDE DELIVERY DATE: March 1, 1972

DELIVER TO: Stauffer Chemical Company,
as designated by the Lessee

RENT PERIOD: Fifteen (15) years commencing
with the first rental payment date

FIXED RENTAL: 60 quarterly installments, in advance,
of \$478.71 per unit or an aggregate of
\$5,744.52 for all 12 units.

INTERIM DAILY RENT: \$3.825 per day per car

LESSEE: STAUFFER CHEMICAL COMPANY - LEASE NO. 2

LENDER: Columbian Mutual Life Insurance Company

SCHEDULE 2 TO LEASE

SCHEDULE OF CASUALTY VALUE

CASUALTY VALUE: The following per cent of original cost to Lessor of an Item of Equipment, including all taxes and delivery charges, is to be paid on a rental payment due date pursuant to Section 11 of the Equipment Lease as the result of an Item becoming the subject of a Casualty Occurrence, depending upon when the Casualty Value is paid:

<u>After Rental Payment No.</u>	<u>Payable on Date and in Lieu of Payment No.</u>	<u>Casualty Value Payable Per Item [in lieu of rental payment for such item due on such date]</u>
		as provided in Section 11.7 of the Lease
0	1	101.500
1	2	100.625
2	3	99.875
3	4	98.875
4	5	98.000
5	6	97.125
6	7	96.125
7	8	95.125
8	9	94.250
9	10	93.250
10	11	92.125
11	12	91.125
12	13	90.125
13	14	89.000
14	15	87.875
15	16	86.625
16	17	85.625
17	18	84.375
18	19	83.125
19	20	81.875
20	21	80.625
21	22	79.375
22	23	78.000
23	24	76.625
24	25	75.250
25	26	73.875
26	27	72.375
27	28	70.875
28	29	69.500
29	30	67.875
30	31	66.250
31	32	64.625
32	33	63.125
33	34	61.375
34	35	59.625
35	36	

After Rental
Payment No.

Payable on Date
and in Lieu of
Payment No.

Casualty Value Payable
Per Item [in lieu of
rental payment for such
item due on such date]

as provided in Section 11.7
of the Lease

36	37	57.875
37	38	53.125
38	39	54.250
39	40	52.375
40	41	50.500
41	42	48.625
42	43	46.500
43	44	44.500
44	45	42.375
45	46	40.375
46	47	38.125
47	48	35.875
48	49	33.625
49	50	31.375
50	51	29.000
51	52	26.500
52	53	24.000
53	54	21.500
54	55	18.875
55	56	16.250
56	57	13.500
57	58	10.750
58	59	7.875
59	60	5.000
60		2.000

Stauffer Chemical Company - Lease No. 2

SCHEDULE C TO LEASE

SCHEDULE OF TERMINATION VALUES

TERMINATION VALUE: The following per cent of original cost to Lessor of an Item of Equipment, including all taxes and delivery charges, is to be paid on a rental payment due date pursuant to Section 11.3 of the Equipment Lease as the result of Lessee exercising its right to terminate the Lease with respect to an Item of Equipment under such Section 11.3.

<u>After Rental Payment No.</u>	<u>Payable on Date and in Lieu of Payment No.</u>	<u>Termination Value Payable Per Item [in lieu of rental payment for such item due on such date, as provided in Section 11.3 of the Lease]</u>
40	41	50.500
41	42	48.625
42	43	46.500
43	44	44.500
44	45	42.375
45	46	40.375
46	47	38.125
47	48	35.875
48	49	33.625
49	50	31.375
50	51	29.000
51	52	26.500
52	53	24.000
53	54	21.500
54	55	18.875
55	56	16.250
56	57	13.500
57	58	10.750
58	59	7.875